



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0577	Title:	Revising what is an illegal gambling activity for horse and dog racing
Primary Sponsor:	Holmlund, Kenneth	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$90,000	\$90,000	\$90,000	\$90,000
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This bill revises provisions related to race meet gambling, defines the term "Montana Wager" with respect to pari-mutuel betting on race meets, and specifies that accepting a Montana Wager without a Montana license is unlawful and punishable as an illegal gambling enterprise.

FISCAL ANALYSIS

Assumptions:

Department of Commerce

1. Since Advance Deposit Wagering (ADW) was passed seven years ago, in-state simulcast wagering has dropped by approximately \$4.00 million annually. Licensed ADW companies have subsequently added approximately \$2.00 million in annual wagers. Therefore, it is reasonable to assume that up to \$2.00 million in annual wagers are being placed at unlicensed ADW locations.
2. The Montana Board of Horse Racing estimates that unlicensed ADW wagering amounts to \$90,000 in lost revenues to the board and ultimately the Montana horse racing industry each year. Estimated revenue losses include licensing fees as well as the board's share of the Montana Wager handle (total amount wagered on the race).

3. In accordance with this bill, it is assumed these wagers would now be place with a licensed ADW location and therefore the \$90,000 in revenues would be collected.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Operating Expenses	\$0	\$0	\$0	\$0
TOTAL Expenditures	\$0	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$0	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$90,000	\$90,000	\$90,000	\$90,000
TOTAL Revenues	\$90,000	\$90,000	\$90,000	\$90,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$90,000	\$90,000	\$90,000	\$90,000

Sponsor's Initials

Date

Budget Director's Initials

Date